

## Message Text

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ACTION EB-08

INFO OCT-01 EA-10 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 /031 W  
-----096667 091003Z /12

P 090810Z JAN 78

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC PRIORITY 9352

LIMITED OFFICIAL USE SINGAPORE 099

E.O. 11652: N/A

TAGS: EAIR, SN, US

SUBJECT: CIVAIR: FLYING TIGER LINE'S LICENSE APPLICATION

REF: A) SINGAPORE 0025 B) STATE 2442 C) STATE 3518

1. SUMMARY: MINISTRY OF COMMUNICATIONS PERMANENT SECRETARY SIM KEE BOON CALLED IN EMBOFF JANUARY 9 AND TOLD HIM MAIN DIFFICULTY IN APPROVING FLYING TIGER LINE'S CARGO APPLICATION IS ONE OF "PRESENTATION"; I.E., SINGAPORE APPEARS TO BE GIVING AWAY TOO MUCH IN RETURN FOR -- SO FAR -- ONLY PROMISES THAT SIA WILL BE ALLOWED TO FLY CARGO IN THE NEAR FUTURE. TECHNICAL OBJECTIONS, ACCORDING TO SIM, ARE "NOT WITHOUT SUBSTANCE," BUT CAN BE WORKED OUT THROUGH ATA CONSULTATION MECHANISMS. END SUMMARY.

2. EMBOFF SPOKE WITH SIM KEE BOON JANUARY 9 CONCERNING "DELAY" IN APPROVING FLYING TIGER LINE'S APPLICATION TO BEGIN OPERATIONS HERE. ACCORDING TO SIM, PROBLEM BOILS DOWN TO ONE OF "PRESENTATION"; SINGAPORE GOVERNMENT HAS BEEN FORTHCOMING WITH PANAM, AND TO APPROVE TIGER'S APPLICATION WITHOUT CORRESPONDING MOVEMENT ON THE PART OF THE CAB TOWARD APPROVAL OF SIA'S CARGO APPLICATION WOULD PRESENT PROBLEMS. (COMMENT: EVEN IN COMMERCE-MINDED, WESTERNIZED SINGAPORE, "FACE" IN THE ORIENTAL SENSE IS LIMITED OFFICIAL USE

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STILL IMPORTANT.)

3. SIM SAID THE PROBLEM WOULD BE WORSENERED IF TIGER WERE GIVEN A TEMPORARY PERMIT AND SIA APPLICATION WERE THEN DELAYED FOR SOME REASON, EVEN IF DELAY WAS NOT THE FAULT OF THE CAB OR OTHER AIRLINES. THE PROBLEM, HE SAID, IS TO DEVISE SOME FORMULA WHICH WOULD PRESERVE THE VISIBLE

BALANCE IN GRANTING OF RIGHTS. ONE WAY, OF COURSE, WOULD BE TO APPROVE TIGER APPLICATION AT SAME TIME SIA WAS GRANTED APPROVAL. ANOTHER WOULD BE TO GRANT TIGER A SHORT-TERM, RENEWABLE PERMIT (PERHAPS WEEKLY) WITH THE PRIOR UNDERSTANDING THAT THE PERMIT WOULD BE SUSPENDED IF SIA ENCOUNTERED CAB PERMIT DELAYS BEYOND MID-FEBRUARY -- AGAIN, WITH EMPHASIS, WHATEVER THE CAUSE OF THE DELAY. SIM SAID HE WAS CONVENING A MEETING WITHIN NEXT FEW DAYS TO DISCUSS THE PROBLEM, AND ASKED SPECIFICALLY THAT THESE OPTIONS NOT REPEAT NOT BE DISCUSSED WITH TIGER OR OTHER INDUSTRY PERSONS UNTIL DECISION IS MADE ON WHAT TYPE OF PACKAGE TO OFFER.

4. BACKGROUND OF SIA TECHNICAL OBJECTIONS IS COVERED BELOW; SIM SAID THESE OBJECTIONS ARE NOT ENTIRELY WITHOUT SUBSTANCE BUT AGREED WITH EMBASSY SUGGESTION (SEE BELOW) THAT CONSULTATIONS UNDER ATA WOULD BE BEST WAY TO RESOLVE MATTERS.

5. WHEN TIGER REP SPOKE WITH DCA DIRECTOR TAN JANUARY 7 AND RECEIVED NEWS OF DELAY IN APPROVAL, TAN COMPLAINED THAT HE COULD APPROVE TIGER'S APPLICATION "JUST LIKE THAT," WHILE US SEEMED TO BE UNABLE TO APPROVE SIA'S CARGO APPLICATION. EMBOFF MENTIONED THIS CONVERSATION TO SIM, WHO AGREED COMMENT INVOLVED UNFORTUNATE CHOICE OF WORDS. ALTHOUGH SIM GRUMBLED AT RED TAPE INVOLVED LIMITED OFFICIAL USE

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IN CAB ACTIONS, HE SAID HT UNDERSTOOD REASONS WHY US BUREAUCRACY HAD TO MOVE MORE SLOWLY. PROBLEM AGAIN SEEMS TO BE ONE OF FACE, ALTHOUGH WE RECOGNIZE POSSIBILITY OF HOLDING UP TIGER APPLICATION AS PRESSURE TACTIC FOR CAB APPROVAL OF SIA PERMIT.

6. OUR UNDERSTANDING FROM MINISTRY OF COMMUNICATIONS OF SIA'S OBJECTIONS TO PROPOSED FTL FLIGHT 45 IS THAT FLIGHT ORIGINATES IN HONG KONG RATHER THAN IN SINGAPORE OR US. TIGER REP HEARD SLIGHTLY DIFFERENT VERSION FROM SIA OFFICIAL -- OBJECTION WAS VAGUE SUSPICION THAT CHANGE OF FLIGHT NUMBERS ENROUTE CONCEALED SOME UNFAIR ADVANTAGE TO TIGER. DEPARTMENT'S INFORMATION (REF B) IS AGAIN SLIGHTLY DIFFERENT.

7. EMBASSY WROTE LETTER TO MINISTRY OF COMMUNICATIONS JANUARY 5 POINTING OUT THAT PARAGRAPH SIX OF MEMORANDUM OF CONSULTATION WOULD PERMIT CHANGE OF GAUGE IN ABSENCE OF ANY LANGUAGE TO THE CONTRARY, AND THAT SPIRIT OF MEMORANDUM, AGAIN IN ABSENCE OF SPECIFIC LANGUAGE, WOULD PERMIT ROUTING PROPOSED BY TIGER. (FYI: SIA HAD ARGUED THAT FLIGHTS MUST BE "FROM" US "TO" SINGAPORE AND VICE

VERSA. WE POINTED OUT THAT WORDING OF MEMORANDUM WAS  
"BETWEEN" LISTED POINTS. COINCIDENTALLY, TIGER HAD WITH-  
DRAWN ITS REQUEST FOR FIFTH-FREEDOM RIGHTS ON THIS FLIGHT.)

8. OUR LETTER WENT ON TO URGE SPEEDY APPROVAL FOR TIGER  
AND SUGGESTED THAT IF ANY DOUBTS REMAIN, TWO GOVERN-  
MENTS COULD ENTER INTO CONSULTATIONS AFTER SIGNING OF  
ATA UNDER PROVISIONS OF THAT AGREEMENT. LETTER ALSO  
POINTED OUT THA TRIGER HAD BEEN SUPPORTIVE OF SIA'S  
CARGO APPLICATION BEFORE CAB. (WE HAVE NOT SEEN PANAM  
DOCUMENT BUT MENTIONED ITS EXISTENCE TO SIM THIS MORNING.)

9. PANAM HAS RECEIVED PERMISSION FOR THREE SP COMBINATION  
FLIGHTS PER WEEK AND HAS VERBAL APPROVAL FOR FIFTH-FREEDOM  
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CARGO FLIGHTS THROUGH TOKYO. PANAM REP HERE SAYS CARGO  
SCHEDULE HAS BEEN IMPLEMENTED.  
HOLDRIDGE

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Review Markings:**  
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